

MINUTES  
COMMITTEE OF CHAIRPERSONS  
October 20, 2008 – 6:00 P.M.  
TOWN HALL ANNEX – COMMUNITY ROOM 2

I. ROLL CALL

Present: Bates, Martin, O'Beirne, Peruzzotti, Scott, Sherrard, Stebbins, Rafferty  
Staff: Murphy, Strother, Silsby  
Excused: Mayor Watson  
Also present: Oefinger, Pandolfo, Pritchard

The meeting was called to order at 6:05 p.m.

II. PUBLIC COMMUNICATIONS

Staff invited members to the upcoming Connecticut Conference of Municipalities (CCM) workshop regarding "Effective Meetings and Parliamentary Procedure". This workshop will be held on Tuesday November 18, 2008 at the Town Hall Annex from 9:00 a.m. until 12:00 noon. Refreshments will begin at 8:30 a.m. Please contact Staff if interested.

III. APPROVAL OF THE MINUTES OF April 21, 2008

MOTION: To approve the minutes of April 21, 2008 as written.

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Motion made by Stebbins, seconded by Rafferty, so voted unanimously

IV. ITEMS OF BUSINESS

1. Review of CIP Projects and Municipal Debt Limitations

Staff explained that the focus is not on CIP projects but that commissioners would benefit from knowledge of these policies as they affect bond ratings and debt ratios.

Town Manager Oefinger distributed a 16 page handout relating to fiscal practices and policies that have been adopted by the Town over the years as well as a fiscal impact statement recently given to the Town Council and reviews by the 3 bond rating agencies. He proceeded to explain about debt service and the need to borrow money, which will begin as early as tomorrow, October 21, 2008.

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Finance Director Pandolfo reviewed the various pages of the handout. He stated that bonding information is imbedded in the budget document. He explained about the bonding process and the bond rating companies involved. He spoke about the Town's bond rating in the past and pointed out that the Town's bond rating has recently increased to a AA with Standard and Poor's (S & P). He explained about the fiscal impact statement, ratios, and an ordinance being submitted to the Town Council for consideration and authorization. He stated that the estimated debt service for FYE 2009 will be 4.4%. He referred to the debt service payment noting that that figure could change after tomorrow's bond issuance. He continued to explain the remaining documents presented.

Oefinger referred to the schedule for paying off the remaining debt, for non Board of Education items, etc. He stated that the debt service for the schools will be paid off in 2028.

Pandolfo explained that the bond total being issued will be \$4.3 million and the analysis on the issuance of General Obligation Bonds was estimated at a rate of 4.75% for 20 years. He explained the impact of these bonds on the mill rate and noted that bonds are being sold tomorrow. He explained that the debt limit per state statute is \$526,343,306 but the debt limit per town council policy is 50% of that state figure. Pandolfo also mentioned that the Town Council policy states that debt service should be no more than 10% of the adopted budget, and with this issue it will be at 4.4% for FYE 2009.

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Discussion ensued about what happens if the bonds being issued tomorrow are outrageously high. Pandolfo explained that the Town is not obligated to award to the lowest bidder and that the bonds may not be sold, if need be. Oefinger explained that the Town may need to negotiate.

Pandolfo referred to the impacts of the senior center project as well as school impacts. He stated that the total bonding on the school project will be about \$35 Million, depending on actual state grants received. He noted that the Town has a good debt rating. He explained about the concentrated tax base related to Electric Boat, Pfizer Inc, and the Naval Base. Discussion ensued about bond ratings of nearby towns and the Town of Groton's positive position with relatively low debt.

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Discussion followed about political entities and their affect on the Town's bond rating. Pandolfo explained how the mill rate will be impacted in the future.

Oefinger spoke about Council policy, noting that the fund balance should not fall below 5%. He further explained about the mill rate process and noted that the current fund balance is 9%.

Pandolfo explained that in FYE 2011, it is estimated that about 1.6 mills would be going toward debt service, which includes schools, the animal shelter, and the senior center. This depends on the outcome of bonds being issued tomorrow and the interest rate on future debt issues.

Oefinger spoke about the Town's mortgage for all of these debts combined but noted that the mill rate could change with the assessment phase-in. Pandolfo noted that another revaluation will take place in 2011. Additional details were given about paying on the mortgage. Pandolfo noted that because these are tax exempt bonds, it is cheaper than going to a bank. Oefinger stated that the Town has a strong credit rating. Although the Council does have some concerns, the situation will be clearer after tomorrow's bond issuance. Discussion ensued about bonding and interest rates. An update was given about debt service.

## 2. Status of Subase relating to BRAC

Oefinger explained that having three bond rating agencies has served the Town well. He spoke about the bond rating process. He noted that there has been some progress between the Subase, Navy, and the State of Connecticut with \$40 million being set aside. He does not believe that another BRAC will occur for at least five to ten years. A future BRAC procedure would have to be formally established.

O'Beirne stated that, in the absence of BRAC, the military would have to get permission from Congress to do something. He believes that it would be closer to ten years before another BRAC is needed. He explained that the Subbase is spending a lot of money replacing facilities.

Oefinger spoke about the privatization of Navy housing, stating that a big improvement has been made. An increase in federal impact aid should begin in the future. By 2010, the privatization of housing should be 100% complete. Discussion followed about the percentage of houses being occupied by civilians versus the military. Oefinger noted that the government owns the land but the buildings are owned by a private company. Discussion ensued about federal impact aid and how the limits are set for each community. O'Beirne stated that the local cost of living is factored into the assessed amount.

### 3. Strategic Economic Development Plan Implementation Update

Staff referred to the final report and spoke about the short term strategies and projects. He explained what has been completed to date. He noted that the Town is developing schedules and that many of these projects are on-going. He spoke in detail about the status of the Flanders Road Utilities project as well as the status of the Thames River Heritage Park project, which is a long-term tourism project. He spoke about the bikeway at Thomas Road and the Mystic Multi-Modal Study. Staff stated that BL Companies is currently working on the downtown streetscape/gateway project.

Oefinger spoke about the 5-way intersection near Olio's and explained the hazards that exist. He explained that the gateway study will address this issue as well.

In regards to big box development, Staff explained that this issue will be part of the zoning recommendations made in the land use regulations update currently on-going.

### 4. Specific Property Maintenance issues in Town

Staff gave some background about the property at 23 Library Street in Mystic. He stated that previous to the fire, there was a movement to address issues on the site relating to code enforcement but that things have changed due to the fire. He stated that the demolition permit has been issued for the large structure only and that no legal issues prevent us from taking down the building.

Staff believes that the long-term property maintenance code is still a realizable goal for the Town but feels that procedural issues still need to be addressed. He noted that Barbara Strother is monitoring the downtown area. Discussion followed about the status of the old Masonic Hall on Cow Hill Road, also known as the Burnett's Corners building, and the hazards that exist. Staff explained that nothing has been done yet because this issue is out of the Town's control. The problems with the structure were noted and discussed. Oefinger explained that the Town has never given any money to the owners. Staff stated that he would get an update on the structure.

It was explained that there is not yet a timetable for the property maintenance code. Staff referred to the options that exist but noted that if this code was applicable to the entire Town, there would be a need to hire at least another full-time staff person. It was noted that the Town Council would like to address this problem. Oefinger stated

that Code Enforcement Officer Lee Treadway has been doing a tremendous job and that the Town hasn't looked this good in a long time. In order for this program to be successful, it was explained that a program would need to be put in place and adhered to. Murphy suggested that informational forums be available for town residents.

5. Identification of Topics for Future Discussion

In regards to the Mystic Streetscape Project, Staff gave an update. He referred to easements and other documents that need to be obtained from people. Extra state mandated drainage work is also slowing down the project. The final aspects of the underground electrical work have been difficult. The budget has increased almost \$400,000 due to the cost estimation from CL&P. Above ground electrical wires and poles will need to remain from Gravel Street to Bank Street along the north side of West Main Street. Further updates were given and it was noted that a second phase would most likely be needed.

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Discussion ensued about the Central Hall project and what permits are currently in place. Staff did not have a time frame for the phase 2 portion of the Mystic Streetscape project because the applicant controls the construction timetable.

6. Approval of 2009 Meeting Schedule

MOTION: To adopt 2009 Meeting Schedule as written

Motion by Stebbins, seconded by Peruzzotti, so voted unanimously

7. Other

Staff stated that a meeting will take place on Wednesday October 29, 2008 at the Town Hall Annex, to receive comments about land use regulation assessments. He noted that the Town is in the assessment phase and additional details were given pertaining to the schedule. The Town will request public input and will develop information. Project files are located in the Planning Office for viewing. Draft language should begin within the next couple of months. Staff will keep the Committee informed.

Regarding the Charter Revision's ability to go back to the Town Council to act on a zoning commission decision, Oefinger explained that that is not allowed under state statutes.

V. CHAIRPERSONS UPDATES

Scott brought up the issue of cluster subdivisions impacting wetland decisions and inquired about areas being excluded from the definition before buildable land areas are determined. Staff explained that it depends if there are utilities in existence and that the process would continue to protect resources. He spoke about density issues and steep slopes and noted the importance of finding a balance as indicated in the POCD.

VI. ADJOURNMENT

A motion to adjourn at 8:01 p.m. was made by Stebbins, seconded by Martin, so voted unanimously.